

HOUSE BILL No. 2747

By Committee on Taxation

2-14

Proposed Committee Amendments to
HB No. 2747
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First Assistant Revisor
Office of Revisor of Statutes
February 20, 2012

1 AN ACT concerning taxation; relating to income and privilege tax rates;
2 income tax deductions and credits and income determination;
3 distribution of sales and use tax revenue; severance tax, exemptions;
4 rural opportunity zones; amending K.S.A. 79-32,128 and K.S.A. 2011
5 Supp. 74-50,222, 79-1107, 79-1108, 79-32,110, 79-32,111, 79-32,117,
6 79-32,119, 79-32,205, 79-3620, 79-3710 and 79-4217 and repealing the
7 existing sections

; also repealing K.S.A. 2011 Supp. 74-8131, 74-8132,
74-8133, 74-8134, 74-8135, 74-8136 and 74-8137

8 *Be it enacted by the Legislature of the State of Kansas:*

9 New Section 1. (a) (1) Except as provided in subsection (a)(2),
10 commencing with fiscal year 2012, in any fiscal year in which the amount
11 of selected actual state general fund receipts from such fiscal year exceeds
12 the selected actual state general fund receipts for the immediately
13 preceding fiscal year by more than 2%, the director of legislative research
14 shall certify such excess amount to the secretary of revenue and the
15 director of the budget. Upon receipt of such certified amount, the secretary
16 shall compute the excess percentage increase in selected actual state
17 general fund receipts above 2%. Based on such excess percentage of
18 calculated receipt growth, the secretary shall compute the income tax rate
19 reductions to go into effect for the next tax year that would reduce by such
20 certified amount the tax rates during the fiscal year after the next fiscal
21 year according to the provisions of this section, as follows: (A) Rate
22 reductions for individual income tax rates shall be applied to reduce the
23 middle marginal income tax rate applicable to the current tax year by such
24 excess percentage, the highest marginal income tax rate applicable to the
25 current tax year, by such excess percentage minus 0.5%, and the lowest
26 marginal income tax rate applicable to the current tax year by such excess
27 percentage plus 0.5%. In any such computation by the secretary pursuant
28 to this subsection in which the income tax rate for any individual marginal
29 income tax rate is below 0.4%, such rate shall be 0%. Based on all such
30 determinations, the secretary shall reduce individual income tax rates
31 prescribed by K.S.A. 79-32,110, and amendments thereto, as required by
32 this section;

33 (B) upon all individual marginal income tax rates being reduced to
34 0% pursuant to the provisions of subsection (a)(1)(A), rate reduction next
35 shall be applied for the surtax on corporations applicable to the current tax
36

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1 from a qualified production enhancement project and certification of the
 2 base production for the enhanced wells or group of wells, and the rate of
 3 decline to be applied to that base production. The secretary of revenue
 4 shall provide credit for any taxes paid between the project startup date and
 5 the certification of qualifications by the commission.

6 (D) The exemptions provided for in this paragraph (6) shall not apply
 7 for 12 months beginning July 1 of the year subsequent to any calendar year
 8 during which: (1) In the case of oil, the secretary of revenue determines
 9 that the weighted average price of Kansas oil at the wellhead has exceeded
 10 \$20.00 per barrel; or (2) in the case of natural gas the secretary of revenue
 11 determines that the weighted average price of Kansas gas at the wellhead
 12 has exceeded \$2.50 per Mcf.

13 (E) The provisions of this paragraph (6) shall not affect any other
 14 exemption allowable pursuant to this section; and
 15 (7) for the calendar year 1988, and any year thereafter, the severance
 16 or production of the first 350,000 tons of coal from any mine as certified
 17 by the state geological survey.

18 (c) No exemption shall be granted pursuant to subsection (b)(3) or (4)
 19 to any person who does not have a valid operator's license issued by the
 20 state corporation commission, and no refund of tax shall be made to any
 21 taxpayer attributable to any production in a period when such taxpayer did
 22 not hold a valid operator's license issued by the state corporation
 23 commission.

24 (d) On April 15, 1988, and on April 15 of each year thereafter, the
 25 secretary of revenue shall determine from statistics compiled and provided
 26 by the United States department of energy, the average price per barrel
 27 paid by the first purchaser of crude oil in this state for the six-month
 28 period ending on December 31 of the preceding year. Such price shall be
 29 used for the purpose of determining exemptions allowed by subsection (b)
 30 (2)(B) or (E) for the twelve-month period commencing on May 1 of such
 31 year and ending on April 30 of the next succeeding year.

32 Sec. 14. K.S.A. 79-32,128 and K.S.A. 2011 Supp. 74-50,222, 79-
 33 1107, 79-1108, 79-32,110, 79-32,111, 79-32,117, 79-32,119, 79-32,205,
 34 79-3620, 79-3710 and 79-4217 are hereby repealed.

35 Sec. 15. This act shall take effect and be in force from and after its
 36 publication in the statute book.
 37

Sec. 15. On an after January 1, 2013, K.S.A. 2011 Supp.
 74-8131, 74-8132, 74-8133, 74-8134, 74-8135, 74-8136 and
 74-8137 are hereby repealed.

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